

## GRANT AGREEMENT

BETWEEN: City of Newport,  
a municipal corporation of the State of Oregon, (City)

AND: Lincoln County Historical Society  
a nonprofit corporation incorporated in the State of Oregon (LCHS)

EFFECTIVE DATE: The latest date signed by the parties.

### RECITALS

- A. The City of Newport (City) is a municipal corporation with Home Rule authority pursuant to its Charter and the constitution of the State of Oregon.
- B. The Lincoln County Historical Society (LCHS) is a nonprofit corporation organized under section 501(c)(3) of the Internal Revenue Code and the Laws of the State of Oregon.
- C. Pursuant to state law and the Newport Municipal Code, the City collects transient room tax revenues from the occupants of transient lodging facilities located within the City.
- D. The City has created the Tourism Facilities Grant Program to facilitate grants of local transient room tax revenues (Grant Funds) to fund Tourism-Related Facilities.
- E. Tourism-Related Facilities are defined as a conference center, convention center or visitor information center, or other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- F. LCHS submitted application materials to the City and was selected for an award of Grant Funds to be used by the LCHS for the Propeller Promenade at the Pacific maritime and Heritage Center, as described in the application materials attached to this Agreement as Exhibit A (Project).
- G. The Project is a Tourism-Related Facility because it is improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- H. The City wishes to grant, and LCHS wishes to accept, Grant Funds totaling \$14,000 to be used for the project.

- I. LCHS wishes to proceed with the project immediately. A description of the overall project timeline is contained in Exhibit A attached to this Agreement.

## AGREEMENT

1. The City agrees to grant and the LCHS agrees to accept, Grant Funds in the amount of \$14,000 to be used to fund the Project described in the application materials attached as Exhibit A to this Agreement, subject to the terms and conditions of this Agreement.

### 2. DEFINITIONS.

- A. "Match" is any contribution to the Project made up of funds other than Grant Funds. Match may include:
  - i. Cash on hand or cash that is pledged to be on hand prior to commencement of the project;
  - ii. Secured funding commitments from other sources;
  - iii. Pending or potential commitments of funding from other sources. In such instances, Tourism Grant Program funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within the time provided in this Agreement;
  - iv. In-kind contributions (such as labor or materials) approved by the City; or
  - v. Subject to approval by the City, monies expended by LCHS on the Project prior to the effective date of this Agreement.

### 3. TERM.

This Agreement takes effect on the date it is signed by all the parties, and expires June 30, 2016, unless earlier terminated pursuant to the terms of this Agreement.

### 4. LCHS OBLIGATIONS.

- A. LCHS will perform all work on the Project.
- B. LCHS will obtain all required city, state, and federal permits prior to beginning work on the Project.
- C. LCHS represents that the Project constitutes a Tourism-Related Facility as defined in the City's Tourism Facilities Grant Program Policies, attached to this Agreement as Exhibit B.

- D. LCHS acknowledges and agrees that Grant Funds received by LCHS from the City pursuant to this Agreement will be used exclusively to perform work on the Project as described in Exhibit A. LCHS further acknowledges and agrees that Grant Funds may not be used to refinance existing debt.
- E. LCHS acknowledges and agrees that LCHS is responsible for all the expenses of operation and maintenance of the Project, including but not limited to adequate insurance and any taxes or special assessments applicable to the Project.
- F. LCHS will comply with all federal, state, and local laws and regulations applicable to the Project, including but not limited to the City's Tourism Facilities Grant Program Policies and workers' compensation laws.
- G. LCHS will provide, upon the City's request, any documents or information identified or referenced in LCHS's application materials. This information may include, but is not limited to, information pertaining to Project schedule, budget and cash flow, feasibility, readiness to construct, permits, likelihood of completion within a planned time frame, agreement for loan of the propeller from the Port of Newport, and other items related to completion of proposed Project elements.
- H. LCHS has provided documentation acceptable to the City which shows that LCHS has secured, at a minimum, a dollar for dollar Match of the \$14,000 of Grant Funds (Matching Funds) which will be available and committed for the duration of the Project.
- I. During the term of this Agreement, LCHS will maintain its status as a tax-exempt nonprofit corporation, duly organized and validly existing under the laws of the State of Oregon.
- J. LCHS will indemnify, defend, save, and hold harmless the City and its officers, employees, and agents from any and all claims, suits, or actions of any nature arising out of the activities and due to the negligence and/or fault of LCHS, its officers, employees, agents, contractors, and subcontractors pursuant to this Agreement.
- K. Notwithstanding LCHS's defense obligations described in paragraph I of this section, neither LCHS nor any attorney engaged by LCHS shall defend any claim in the name of the City, nor purport to act as a legal representative of the City, without the prior written consent of the City's attorney. The City may, at any time, elect to assume its own defense and settlement. The City reserves all rights to pursue any claims it may have against LCHS if the City elects to assume its own defense.
- L. LCHS acknowledges and agrees that the City shall have reasonable access to LCHS's books, documents, papers and records related to this Agreement during the term of this Agreement and for a period of six years after termination of this

Agreement. LCHS will make copies of applicable records available to the City upon request.

- M. LCHS acknowledges and agrees that this Agreement does not create an employment relationship between the City and LCHS, its officials, employees, agents, or contractors. LCHS further agrees that LCHS is exclusively responsible for all costs and expenses related to LCHS's employment of individuals to perform work related to the Project, including but not limited to retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.
- N. LCHS will keep an accounting of Grant Funds received pursuant to this Agreement to ensure that the Grant Funds are used as required by this Agreement. LCHS will provide the accounting required by this paragraph to the City annually during the term of this Agreement, as well as upon request by the City.
- O. Within 60 days of completion of the Project, LCHS will submit a final project report to the City detailing each expenditure of Grant Funds, and requesting payment of the remaining Grant Funds. In the event that LCHS completes the Project without using all of the Grant Funds provided by the City, any unexpended Grant Funds will be returned to the City with the final project report, and the final project report will not include a request for payment of the remaining Grant Funds. The obligation to return unused Grant Funds upon completion of the Project survives the expiration or earlier termination of this Agreement.
- P. In the event of default by LCHS under section 6 of this Agreement, LCHS agrees, upon the City's demand, to return any unexpended Grant Funds to the City and to repay to the City any Grant Funds expended in violation of the terms and conditions of this Agreement or of the Tourism Facilities Grant Program Policies.

## 5. CITY OBLIGATIONS.

- A. Upon receipt of documentation satisfactory to the City showing that the Matching Funds required by section 4, paragraph H of this Agreement have been obtained for the Project, and that a building permit has been issued, the City agrees to pay LCHS a lump sum payment of \$14,000 upon approval of the final project report by the City, as provided in paragraph B of this section.
- B. Within 30 days of the date the final project report is submitted to the City as provided in section 4, paragraph O of this Agreement, the City will either approve the report or notify LCHS of any concerns that must be addressed or information that must be submitted before the report is considered complete. Once the final project report has been accepted by the City, the Grant Funds will be promptly paid to LCHS.

- C. Notwithstanding paragraphs A and B of this section, the City's payment obligations under this Agreement are contingent upon the availability of funds in the Tourism Grant Facilities Program.

6. DEFAULT.

A. The following constitute default by LCHS under this Agreement:

- i. Failure to obtain the Matching Funds required by section 4, paragraph H of this Agreement by the time the request for funding is made;
- ii. Failure to substantially commence work on the Project within one year of the effective date of this Agreement;
- iii. Failure to complete the Project by June 30, 2016;
- iv. A determination by the City that material statements, information, or representations in the application materials attached as Exhibit A to this Agreement are false, misleading, fraudulent, or misrepresentations;
- v. A change in circumstances such that material information provided in the application materials attached as Exhibit A and relied upon by the City in making the decision to award Grant Funds to LCHS is no longer true or accurate;
- vi. Failure of the Project to meet the definition of a Tourism-Related Facility;
- vii. Violation of any of the terms or conditions of this Agreement;
- viii. Dissolution of LCHS; and
- ix. Appointment of a receiver, trustee, liquidator, or conservator for LCHS or to take possession of all or substantially all of LCHS's property; or the filing of a petition for bankruptcy, insolvency, dissolution, liquidation, or reorganization, or order for relief in which LCHS is named as debtor, by, against, or with respect to LCHS pursuant to any federal or state statute, regulation or law for the protection of debtors; and, with respect to any such appointment or filing, failure of LCHS to secure a stay or discharge thereof within 45 days after such appointment or filing.

- B. In the event of a default by LCHS, the City will not exercise the remedies provided in paragraph C of this section unless and until the City notifies LCHS in writing of the default and LCHS fails to cure the default within 20 days of receipt of the notice; or if the default cannot reasonably be cured within 20 days, LCHS commences action to cure the default within 10 days of receipt of the notice and diligently pursues the cure to completion. In no event will the time for opportunity to cure exceed 60 days from the date of receipt of notice of default. If the default

is not cured within the time provided in this paragraph, the City may elect to pursue any of the remedies provided in paragraph C of this section.

- C. In the event of default or failure to cure within the time period provided in paragraph B of this section, the City may pursue any one or more of the following remedies:
  - i. Revocation of Grant Funds;
  - ii. Withholding of undispersed grant funds;
  - iii. Return of unexpended grant funds by LCHS;
  - iv. Repayment of expended grant funds by LCHS;
  - v. Termination of this Agreement.
- D. The remedies provided by paragraph C of this section are cumulative, not exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

## 7. TERMINATION.

- A. The City may terminate this Agreement effective upon delivery of written notice to LCHS or at such later date as may be determined by the City upon the following conditions:
  - i. Default by LCHS under this Agreement; or
  - ii. Lack of funding necessary to award Grant Funds to LCHS.
- B. LCHS may terminate this Agreement effective upon delivery of written notice to the City if the City fails to make payments due under this Agreement or fails to abide by the terms and conditions of this Agreement.
- C. Termination of this Agreement will not prejudice any rights or obligations of the parties accrued prior to termination.
- D. The City's entitlement to the remedies provided in section 6 of this Agreement survives termination of this Agreement.

## 8. NOTICE.

All notices given pursuant to this Agreement must be in writing and delivered to the parties at the addresses herein. Notice given pursuant to this section will be deemed to have been received on the date of personal delivery, three calendar days after deposit in the United States mail postage prepaid, or on the date of confirmed delivery by: 1) facsimile;

2) registered mail, return receipt requested; or 3) overnight delivery. Either party may change its notice address under this section at any time by written notice to the other party.

CITY:  
City of Newport  
Spencer R. Nebel, City Manager  
169 SW Coast Highway  
Newport, Oregon 97365

LCHS:  
Lincoln County Historical Society  
Steve Wyatt, Executive Director  
545 SW Ninth Street  
Newport, Oregon 97365

#### 9. ASSIGNMENT.

LCHS may not assign any of its rights, interests, or obligations under this Agreement without the prior written consent of the City, which may be withheld in the City's sole discretion.

#### 10. MODIFICATION.

No modification of this Agreement will be valid unless it is in writing and signed by both parties.

#### 11. RELATIONSHIP OF PARTIES.

The parties acknowledge and agree that nothing in this Agreement is intended to nor shall be construed to create any form of partnership or joint venture relationship between the parties.

#### 12. NO THIRD PARTY BENEFICIARIES.

This Agreement is entered into for the sole benefit of the City and LCHS, and nothing contained herein is intended for the benefit of any other person or entity.

#### 13. SEVERABILITY.

If any provision of this Agreement is held by any court of competent jurisdiction to be invalid, such invalidity will not affect any other provisions of this Agreement, and this Agreement will be construed as if the invalid provision had never been included in this Agreement.

#### 14. WAIVER OF BREACH.

The waiver by either the City or LCHS of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of the same provision of this Agreement.

15. GOVERNING LAW.

This Agreement is to be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflicts of law principles.

16. VENUE.

Any legal action or proceeding arising out of or relating to this Agreement shall be commenced in the Circuit Court of the State of Oregon for Lincoln County. The parties hereby consent to the jurisdiction of that court, waive any objections to venue and waive any claim that the forum is an inconvenient forum.

17. ENTIRE AGREEMENT.

This Agreement and all attached exhibits constitute the entire agreement of the parties relating to the subject matter herein. There are no promises, terms, conditions, or obligations oral or written other than those contained herein. This Agreement supersedes all prior communications, representations or agreements, either oral or written, between the parties relating to the subject matter herein.

18. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement.

19. PARAGRAPH HEADINGS.

Paragraph headings are used solely for convenience and are not to be used in construing or interpreting this Agreement.

20. AUTHORITY TO ENTER INTO AGREEMENT.

Each person executing this agreement on behalf of a party to this agreement hereby covenants that he or she is duly authorized by that party to bind that party to this agreement.



Spencer R. Nebel, City Manager  
City of Newport



Steve Wyatt, Executive Director  
Lincoln County Historical Society

4-14-15

Date

01 May 2015

Date



# EXHIBIT A

CITY OF NEWPORT  
TOURISM FACILITIES GRANT INSTRUCTIONS  
City of Newport  
169 SW Coast Highway  
Newport, Oregon 97365  
541.574.0613

Answer questions completely within the page limitations provided below. Applications will be considered based on project merits and according to the criteria approved by the City Council and attached to this application. Applicants may be contacted to provide more information. Hard copies of completed applications are due in the City Manager's Office by 5:00 P.M., on Monday, June 30, 2014 – NO EXCEPTIONS. E-mailed or faxed applications will NOT be accepted. Only one application per entity allowed.

Please Note:

1. These funds were created by transient room tax collections. There are legal restrictions on how the money may be spent, and if the project cannot meet the legal requirements, the project cannot be funded.
  2. The Newport City Council has established policies governing the Tourism Facilities Grant Program. A copy of those policies is attached to this application.
  3. Applicants will be selected for funding based on information included in the application materials and oral presentations.
  4. At least a one-to-one funding match is required.
  5. Applicants are defined as any 501(c) organization or government entity.
- The applicant should respond in 12-point, single-spaced text. Ten double-sided hard copies of the complete application and one electronic copy on a flash drive must be delivered to the City Manager's Office by 5:00 P.M., on Monday, June 30, 2014.

CITY OF NEWPORT TOURISM FACILITIES GRANT APPLICATION

Name of Applicant/Organization : Lincoln County Historical Society  
Mailing Address & City: 545 S.W. Ninth St., Newport, Oregon 97365  
Contact Person: Steve Wyatt, Executive Director  
Contact Phone No.: 541-265-7509 Contact Fax No.: 541-265-3992  
Contact E-Mail Address: ochedirector@newportnet.com  
Name of Project: Propeller Promenade  
Total Project Budget: \$28,000.00  
Amount Requested: \$14,000.00

Authorization Signature:

Title: Executive Director  
General

Submit the questions by June 9, 2014, so the task force can reply by June 17, 2014. This will allow time to complete the application by June 30, 2014.

The application deadline will not be extended by preliminary review requests.

Is the project proposed by a government agency? Yes ☐ No ☒

OR

Is the project proposed by a non-profit organization? (A non-profit agency is defined as a 501(c) organization) Yes ☒ No ☐

Will the project encourage people to travel to Newport from more than 50 miles away?

Yes ☒ No ☐

Will the project encourage people to spend the night in Newport? Yes ☒ No ☐

Is the reason the project encourages visitors due to one or more of the following? (Check all that apply):

Business ☒

Pleasure ☒

Recreation ☒

Arts ☒

Heritage ☒

Culture ☒

Are you requesting funding for improved real property with a useful life of at least ten years?

Yes ☒ No ☐

### **Project Description**

*In this section, describe the project and how it meets various qualifications. First review the heading and questions, then check all boxes that apply to the project or give short answers. Finally, provide a narrative explaining how the project addresses the questions. The length of the answer to any question is optional, however, the applicant should attempt to answer all questions. The total narrative should not exceed ten pages including application (excluding attachments).*

*Summary description of the project (summarize the project so that reviewers have a general sense of the project)*

The requested funds, which will be matched dollar-for-dollar by a secured matching grant pledge, are for the creation of a landmark, pedestrian-friendly community promenade on Bay Boulevard at the entrance of the Pacific Maritime & Heritage Center. The components of this unique project include a 14-foot-diameter ship's propeller from the Port of Newport, significant signage for the museum, the creation of an inviting pedestrian-friendly promenade, and interpretive historical signage. The Propeller Promenade will occupy the triangular-shaped lot directly across from Port Dock 5, where the once (in)famous Smuggler's Cove nightclub waterwheel once stood.

This project was sparked with the discovery of a 14-foot-diameter, 14,000-pound

propeller that was attached to the sunken, World War II-era Liberty ship *C.W. Pasley*. The concrete-hulled *C.W. Pasley* was purchased in the late 1940s by the Port, purposely sunk, and filled with rocks and dirt to serve as its International Dock. In the course of an extensive modernization of the International Terminal, the *Pasley* was dismantled. The Port wisely salvaged the *Pasley's* propeller.

Planning for this project began well over a year ago with negotiations with the Port of Newport for use of the propeller and informal discussions with the City of Newport on the project's feasibility and use of City property. Negotiations coincided with concept design work (see attached concept drawings).

A renewable, five-year loan for the propeller was negotiated under two Port Commissioners. The Port is supportive of the project and will continue as a project partner by assisting with logistics, installation oversight, and in developing interpretive signage on the history of the prop, the International Terminal and Port of Newport. The City is also a significant player in this project, as a large section of the project site is owned by the City of Newport. The Historical Society owns the remaining land outright. The city will review and guide this project to fruition in compliance with its codes and ordinances.

Central to the Propeller Promenade project is the installation of the historic propeller in a safe manner. The goals of the project are three-fold:

- 1) Provide tourists with an opportunity to spend more time and dollars on the Bayfront.  
*This will be an inviting space with benches and interpretive signage explaining the interesting history of the propeller, Yaquina Bay shipping, and the Port of Newport. This lighted space will be publicly accessible 24/7. Additionally, a coffee kiosk or food vendor(s), and/or buskers will be encouraged to conduct business on the Propeller Promenade.*
- 2) Boost Pacific Maritime & Heritage Center attendance by creating a highly visible landmark, combined with museum signage.  
*In the summer months, thousands of pedestrians and motorists pass by what is now a nondescript, vacant lot each day. Passers-by will not miss this visually striking propeller. The added visibility afforded by the Propeller Promenade will certainly lead to additional paid admissions to the Heritage Center and help bring it closer to self-sufficiency.*
- 3) Convey historical information and provide context and a sense of place for tourists and locals.  
*This is central to the mission of the Lincoln County Historical Society and the Pacific Maritime & Heritage Center.*

The 30,000-square-foot Pacific Maritime & Heritage Center is a unique museum, gallery, and event center on the Bayfront open to the public year-round, from 11 a.m. to 4 p.m. Thursdays through Sundays. Currently, the main-floor galleries are open to the public. Phase II, ground-floor renovations, are in the advance planning/preliminary construction stage. Central to the lower-floor renovations is the highly anticipated Doerfler Family Theater, an amphitheater-style event venue that will seat approximately 140 people.

The Propeller Promenade Project fits well within the goals of this facility – the Maritime Center's exhibits and programs strive to weave together the story of the area's maritime

environment, economy, and culture. Museum visitors are encouraged to *experience* the full breadth of a community. The Pacific Maritime & Heritage Center, in its first year of operation, has become a part of the community and thoroughly invested in its health and livability. The Maritime Center also adds to Newport's economy: Special events generate revenue for event planners, rental companies, entertainers, food vendors and caterers. Weddings, memorial services and similar events held at the Maritime Center draw attendees from out-of-town and out-of-state who often stay overnight. Exhibits, programs and special events give tourists a reason to spend more time and money while visiting Newport.

As of June 28, the Maritime Center has been in operation a full year. It has averaged two special events a month, with day-to-day attendance running at 165 percent over the previous year's attendance at the Historical Society's Burrows House and Log Cabin Museum combined.

The Maritime Center's opening (spurred in a big way by a city tourism grant) and its subsequent successful operation demonstrates that the Lincoln County Historical Society is well capable of garnering public support and drawing together diverse interests to bring complex projects to fruition. The success of the Pacific Maritime & Heritage Center gained statewide recognition earlier this year when the Oregon Parks and Recreation Department awarded this project with an Oregon Heritage Excellence Award.

Work on the Propeller Promenade project will be carried out by local contractors whenever possible.

This project marks the first installment of several pedestrian-friendly improvements the Historical Society has on tap along Bay Boulevard.

#### Business Plan and Budget: (25 points)

What is the total cost of the project? \$28,000

What is the amount requested from the city? \$14,000

What is the ratio of the request to the total cost? 1:2

What funds have already been raised for the project? (Include the source of funds, i.e., cash on hand, grants awarded, grants committed.) \$12,000 secured matching grant pledge, \$2,000 in donations already expended for design work and engineering consultation

What funds remain to be raised for the project? \$14,000

How are the remaining funds to be raised? (Other grants, pledges, etc.) If tourism grant is awarded, no additional funds will need to be raised for this project.

Does the project provide a service that the city currently funds? Yes ☐ No ☒

Does the project require continued support from the city? If yes, explain. Yes ☐ No ☒

**When do you anticipate completion of the project?**

May 2016. We would love to complete this unique project on a shorter time frame, but it is logistically challenging and will involve the coordination of a diversity of interests.

**What is the plan for operations over a 3 – 5 year period?**

The Propeller Promenade will be publicly accessible 24/7. Operational hours of the Maritime Center are currently from 11 a.m. to 4 p.m. Thursdays through Sundays and by arrangement seven days a week for after-hours lectures, concerts and other performances, and special events.

Within three years, plans call for expanding the Maritime Center's open hours to seven days a week during the busy summer months.

**How does the project demonstrate financial stability?**

The Pacific Maritime & Heritage Center and the proposed Propeller Promenade project are both on a pay-as-you-go basis, incurring no debt. Volunteer labor, grants and donations minimize construction costs and help support day-to-day expenses.

One of the central goals of the Propeller Promenade Project is to draw attention to the Maritime Center, thereby increasing paid attendance and museum revenue.

**How does the project demonstrate a viable business plan?**

In 2008, LCHS contracted with Northwest Management Specialists to develop a Business Plan for the Pacific Maritime & Heritage Center. This plan provides a pathway for staffing and operating the facility once fully completed. The staffing strategy for the Pacific Maritime & Heritage Center is based on the business practices in use by the Historical Society since 1963, when it opened the Log Cabin Museum.

Admissions, gift shop sales, rental fees for events and activities, and on-site donations offset operational costs. Based on the business model developed in 2008 and modified in 2011, the business strategy provides a viable and sustainable approach to operating the Pacific Maritime & Heritage Center. For tourists, museum visitors, and event attendees, the Propeller Promenade will be a value-added component of their museum visit.

**Economic Impact: (20 points)**

Planning Yes ☒ No ☐

Design Yes ☒ No ☐

Construction Yes ☒ No ☐

Post-Completion Yes ☒ No ☐

**How does the project create local jobs in all phases?**

Local contractors have been used almost exclusively on all aspects of the Pacific Maritime & Heritage Center project. This policy has been and will continue to be implemented in the planning and construction of the Propeller Promenade project.

Additionally, anticipated increased attendance to the Maritime Center will lead to adding staff and hours at the museum. Statistically, the more time tourists spend in Newport, the more dollars they spend at hotels, restaurants, and other attractions.

**What is the projected economic impact?**

When completed, the Propeller Promenade project will draw additional visitors to the museum. A central goal of the Pacific Maritime & Heritage Center exhibits and programs is to generate an awareness and appreciation of the region's rich history. With this added knowledge and appreciation, tourists will explore Newport with greater interest, thus spending more time and money.

While impossible to quantify with precision, the Propeller Promenade project will lead to an increase in tourist spending elsewhere on the Bayfront and in Newport. Bayfront visitors who do not visit the Pacific Maritime & Heritage Center can still access, enjoy, and linger at this new point of interest on the Bayfront. During the summer months street vendors and/or buskers (street musicians and performers) will be encouraged to take advantage of this new venue and the tremendous foot traffic on the Bayfront.

**Will the project create spin-off businesses?**

The Propeller Promenade will provide a suitable location for a seasonal coffee kiosk, street food or merchandise vendor, a dock tour starting point, and/or busking.

**Tourism Spending: (15 points)**

**How does the project encourage overnight stays?**

The Propeller Promenade will be a larger-than-life calling card for the Pacific Maritime & Heritage Center, not only marking the museum's location but also piquing tourists' curiosity, drawing them into the facility.

Once in the Maritime Center they will be immersed in a diversity of local maritime art and history. It is well documented that with each additional hour visitors spend in a single attraction, the likelihood of their staying overnight increases exponentially.

**How does the project encourage increased spending at local businesses?**

The Pacific Maritime & Heritage Center is a catalyst for spending at local businesses. Tourists visiting the Maritime Center most often are seeking an immersive leisure/vacation experience. Readily accessible and welcoming museum host staff answer tourists' questions about Newport's amenities and direct them to the area's restaurants, hotels, and attractions -- both manmade and natural. The Propeller Promenade will bring more visitors to the Heritage Center, where they in turn will be directed throughout the community in a manner catered to their specific interests.

**How does the project increase the capacity for tourism?**

Completion of the Propeller Promenade project will result in the creation of an additional point of interest on Newport's Bayfront geared for pedestrians. The striking presence of the 14-foot propeller will draw Bayfront tourists further east than they might otherwise go, thus resulting in a more even distribution of tourists afoot throughout the Bayfront.

**Facility Usage: (Check all that apply) (10 points)**

Is the project open year round: Yes ☒ No ☐

If yes:

Daily ☒

Weekdays \_\_Thursdays and Fridays\_\_

Weekends \_\_Saturdays and Sundays\_\_

Once a week \_\_\_\_\_

Is the project seasonal: Yes ☐ No ☒

Daily ☒

Weekdays \_\_\_\_\_

Weekends \_\_\_\_\_

Once a week \_\_\_\_\_

Is the project off-season: Yes ☒ No ☐

Daily \_\_\_\_\_

Weekdays \_\_Thursdays and Fridays\_\_

Weekends \_\_Saturdays and Sundays\_\_

Once a week \_\_\_\_\_

Is the project monthly: Yes ☐ No ☒

Daily ☒

Weekdays \_\_Thursdays and Fridays\_\_

Weekends \_\_Saturdays and Sundays\_\_

Once a week \_\_\_\_\_

Is the project open on holidays: Yes ☒ No ☐ Only ☐

Other: \_\_Except New Years and Christmas ☐

Who is the targeted tourist? (Check all that apply)

Children ☒

Families ☒

Adults 21+ ☒

Seniors ☒

Groups ☒

Business ☒

Pleasure ☒

Arts ☒

Heritage ☒

Cultural ☒

Sports ☐

Other Educational ☒

Will the project attract repeat visits:

during a single stay? Yes ☒ No ☐

during a single season? Yes ☒ No ☐

over a single year? Yes ☒ No ☐  
over multiple years? Yes ☒ No ☐

What is the potential for repeat business?

Museum visitors tend to be thrilled with the Maritime Center. A single visit leads to a repeat visit with the accompaniment of friends and/or family. The Maritime Center will benefit from higher visibility and the value-added experience the Propeller Promenade will afford. Additionally, the exhibits at the Maritime Center change and attract people to come back and see what's new. Special events include lectures, films, performances, historic programming and music. After-hours events also draw people to the Heritage Center who might not otherwise seek out a history/art museum experience.

What is the regularity of usage?

The Propeller Promenade will be a 24/7, not-so-subtle reminder of the Maritime Center's presence on the Bayfront and the value this community places on its history. The Pacific Maritime & Heritage Center is open on a regular and continuous basis. Upon completion of Phase II, lower floor renovations, plans call for the museum to be open seven days a week during high season.

Does the project allow for multiple activities or uses? State size and types of events.

The Propeller Promenade will generate awareness of the Pacific Maritime & Heritage Center and its ongoing dynamic activities, including those that will be added upon completion of Phase II renovations:

**After-hours events** - Events such as weddings, conferences, classes, performances and presentations enliven the Maritime Center and create jobs for caterers, performers, event organizers, equipment rental agencies, and additional staff. Typically, groups range between 50 and 150. With each successful event, more have followed. This center is becoming known statewide as Newport's premier social gathering venue.

**Cultural Events** - These may include concerts (Phase II), lectures, film festivals (Phase II), performances, and other activities staged by LCHS and/or collaborative partners. A typical event will be held in the evening and attract between 40 and 200 attendees.

**Special Events** - Community celebrations, fundraising activities, or holiday programs typically held on weekend evenings draw from 40 to 320 attendees.

**Workshops** - Thematic programs and/or classes staged by LCHS and/or collaborative partners will expand knowledge of a field related to the Maritime Center's mission. Workshops may be single-day or multi-day programs and will attract between 40 and 200 attendees. The Hatfield Marine Science Center, NOAA, the Oregon Coast Aquarium, and the Newport Symphony have expressed an interest in utilizing the Doerflinger Family Theater (Phase II).

**Exhibits** - Currently the locally focused and history exhibits (including a hands-on children's area) are available during open hours Thursday through Sunday. Walk-in attendance for exhibits was 2,655 in the Maritime Center's first year of operation.

**Tours** - The Maritime Center hosts special prearranged group tours (30-60 people), and beginning July 4<sup>th</sup> will serve as the starting point for Bayfront historical walking tours.

**Meetings** - In its first year of operation, the Maritime Center hosted a City Council meeting.



large annual company and agency staff gatherings, and several non-profit agency meetings. Meetings typically draw from 65 to 10 attendees.

**Is there a particular new demographic that the project is intended to reach?**

The goal of Propeller Promenade project is to expand and add diversity to the all-inclusive demographic already served at the Pacific Maritime & Heritage Center. By telling the story of Newport's rich maritime culture, the Pacific Maritime & Heritage Center serves as a unique regional venue that honors the inseparable connection between the residents of the Central Oregon Coast, hard work, and the bounty of nature.

**Who does the project attract?**

The Pacific Maritime & Heritage Center provides the opportunity for individuals of all interests to be educated and entertained in a stellar setting. Through its prominent location and cross-marketing efforts with other organizations and venues in Newport, the Pacific Maritime & Heritage Center has enhanced the heritage tourism market. A recent exhaustive study by Oregon Heritage, an arm of Oregon State Parks, found that tourists interested in heritage tend to spend more, stay longer, and are more willing to travel during off-peak seasons.

**Other: (5 points)**

**How does the location relate to the current tourism hubs?**

The Propeller Promenade will do more than just fit in with Newport's Historic Bayfront, it will enhance its genuine working waterfront atmosphere that draws thousands annually. The pedestrian-friendly nature of the Propeller Promenade will be yet another temptation on the Bayfront for tourists to get out of their cars and experience Newport up close and personal. Aside from being an inviting space in which to linger, the Propeller Promenade's interpretation and signage will afford tourists an opportunity to gain a greater understanding of Newport and its history.

**How is the project energy-efficient or environmentally friendly?**

The Pacific Maritime & Heritage Center has a policy of incorporating energy efficiency and sustainable upgrades into all of its renovation work.

The reuse of the massive *C.W. Pasley* propeller is itself a 14,000-pound recycling project. Its historic value greatly outweighs its scrap metal value. Plans call for the Propeller Promenade to include LED lighting and indigenous, low-maintenance plantings.

**What is the effect of the project on local livability components?**

The Propeller Promenade will augment the Bayfront's walkability. A goal central to the project is to entice people out of their cars and into a space that is conducive to living comfortably, shopping, visiting, and spending a pleasant time on the Bayfront and visiting the Pacific Maritime & Heritage Center. The Propeller Promenade will complement the popular boardwalk and recent (and future) sidewalk upgrades.

**Is there any additional information that you would like the committee to consider?**

A successful tourism strategy cannot exist outside the bounds of the community. It must reflect the community and be embraced by its residents. The Pacific Maritime & Heritage Center is unquestionably such a project. To date, more than \$2 million worth of money, materials and volunteer muscle has been invested by the community into making this vision a reality.

The Pacific Maritime & Heritage Center has been years in the making, but with its opening last year, it seemingly overnight made a major contribution to Newport's livability. Today, the Maritime Center stands as a beacon and reminder of what this community can do when it works together for a common goal.

The Pacific Maritime & Heritage Center is an active and inviting place that serves residents and visitors alike. The exhibits and programs educate and inform community members of all ages on the rich history and strength of character that form the foundation of this community.

The special events at the Maritime Center create a need for vendors, musicians, food and beverage distributors, and other staff, thus creating more jobs and livability for Newport and the surrounding community.

The Propeller Promenade project will not only draw more visitors to the Maritime Center, it will enhance the atmosphere of the Bayfront and give tourists yet another reason to stay longer and get to know the community.

(Overall project 25 points)

In responding to questions, use additional sheets as necessary, but not to exceed the ten page limit.

#### Required Attachments

1. IRS determination letter for 501(c) – if applicable (attached)
2. Financial history of the project, if available: three years of year-end revenue/expense summaries, and current balance sheet; or feasibility study (attached)
3. Executive Summary of the business plan for the project, including a budget (attached)
4. Timeframe for fundraising  
If the City Tourism grant is awarded, fundraising for this project will be complete.

5. Timeframe for project construction/completion  
Completion is estimated for May 2016.

#### Optional Attachments

1. Up to five pages of 8 ½ x 11 drawings of any facility and floor plan to be constructed or renovated with the requested funds (attached)

Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 3151, Los Angeles, Calif. 90053

\* Lincoln County Historical Society  
545 SW 9th  
Newport, OR 97365-4726

Person to Contact: Felicia C. Miraflor

Telephone Number: 213-894-4232

Refer Reply to: EO-1106-90

Date: NOV 13 1990

RE: Lincoln County Historical Society  
EIN: 93-0545940

Gentlemen:

This is in response to your request for a determination letter of the above named organization.

A review of our records indicate that Lincoln County Historical Society was recognized to be exempt from Federal income tax in October 1955, as an organization described in Internal Revenue Code section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in section 170(b)(1)(A)(vi).

If you need any further assistance, please feel free to contact me at the above address or telephone number.

Sincerely,

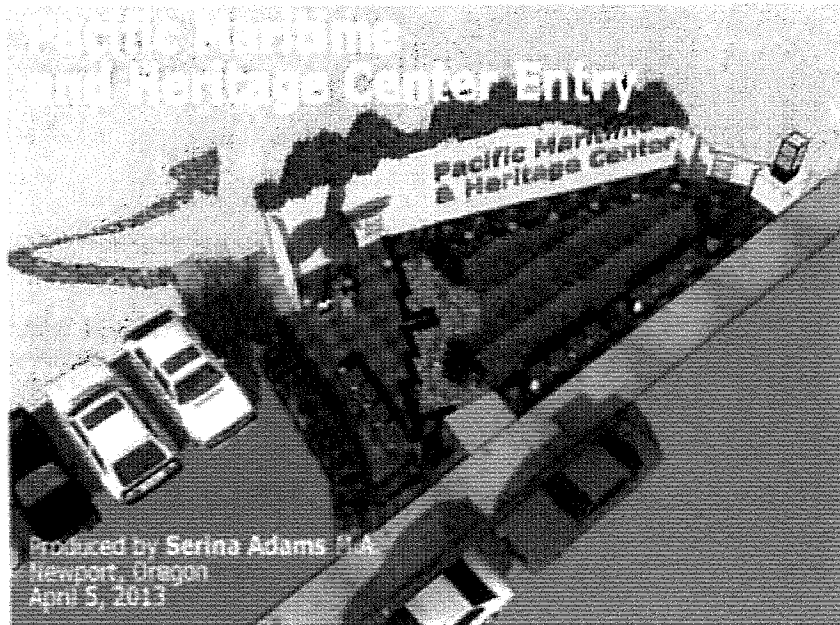
*Felicia C. Miraflor*

Felicia C. Miraflor  
Disclosure Assistant

#### Required Attachments

#### 3. Executive Summary of the business plan for the project, including a budget

Completion of the Propeller Promenade Project will result in the creation of a landmark, pedestrian-friendly community promenade on Bay Boulevard at the entrance of the Pacific Maritime & Heritage Center. The components of this unique project include a 14-foot-diameter ship's propeller from the Port of Newport, significant signage for the museum, the creation of an inviting pedestrian-friendly promenade, and interpretive historical signage. The Propeller Promenade will occupy the triangular-shaped lot directly across from Port Dock 5.



#### Propeller Promenade Budget:

##### Expenses

• Concept Development & Engineering Consultation	\$2,000
• Engineering	\$1,300
• Stand & Installation	\$4,600
• Signage	\$10,000
• Pedestrian Improvements	\$7,000
• Electrical	\$2,100
• Landscaping	<u>\$1,000</u>

**Total= \$28,000**

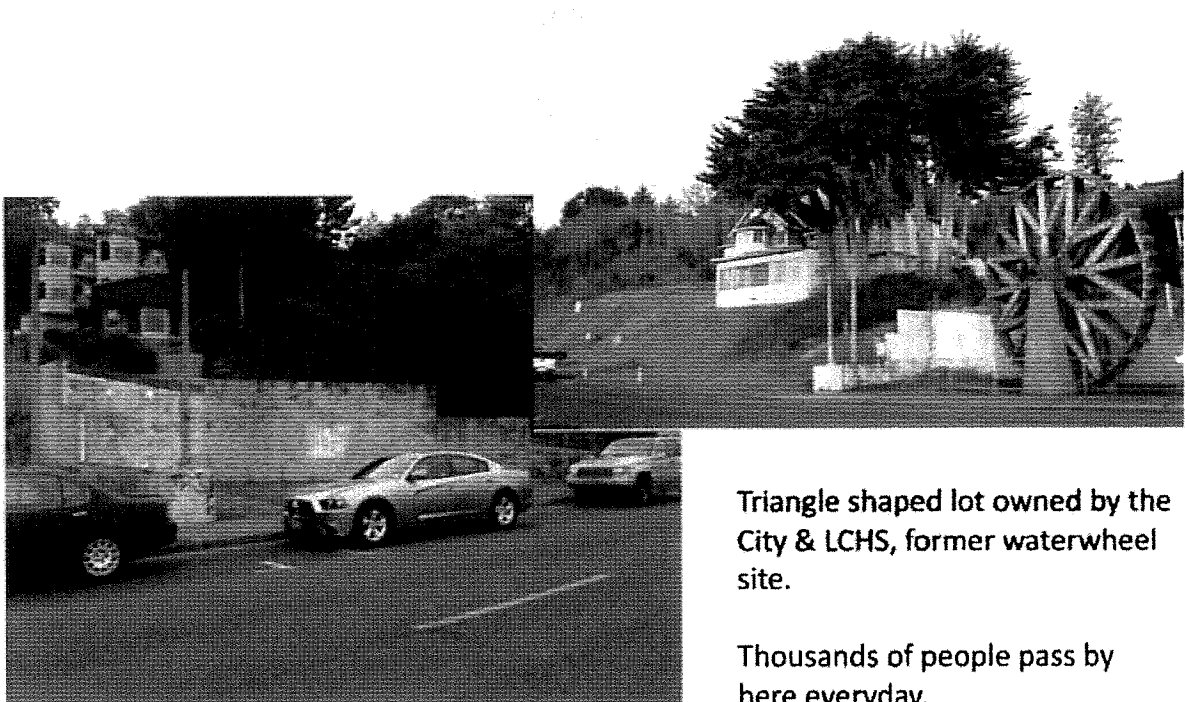
##### Revenue

• Donations to date	\$2,000
• Secured Match Grant Pledge	\$12,000
• City Tourism Grant (applied for)	<u>\$12,000</u>

**Total Revenue \$28,000**



## Site of Propeller Promenade 2007 & 2014



Triangle shaped lot owned by the City & LCHS, former waterwheel site.

Thousands of people pass by here everyday.

## Ship's propeller to serve as maritime museum's centerpiece

Modified: Saturday, Jun 28th, 2014  
BY:



Jim Durkee, the Port of Newport's terminal operations supervisor, holds a picture of the S.S. C.W. Pasley as it entered Yaquina Bay after being purchased by the port in 1948. He's sitting on the World War II liberty ship's 7-ton propeller, which, if the port agrees, will be transported down Bay Boulevard to serve as a street-level landmark for the Pacific Maritime & Heritage Center. (Photo by Rockne Roll)

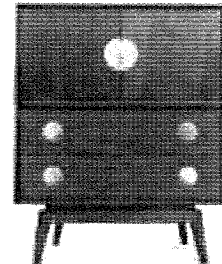
NEWPORT — While the S.S. C.W. Pasley spent more than 60 years serving unceremoniously as a submerged wharf in Yaquina Bay; its 14,000-pound propeller will soon become a fixture on Newport's Historic Bayfront.

Steve Wyatt, executive director of the Lincoln County Historical Society, has asked the Port of Newport for permission to use the prop as a welcoming landmark at the foot of the Pacific Maritime & Heritage Center.

Wyatt made a presentation Tuesday to the

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port's board of commissioners that would allow the museum to use the prop for at least five years. He said the length of the "loan" is important because of the amount of investment involved.

*For the complete article see the 06-27-2014 issue.*

[Click here to view the 06-27-2014 E-Edition containing the rest of this article.](#)

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## **TOURISM FACILITIES GRANT PROGRAM**

### **Purpose**

This policy is intended to guide the City of Newport in accepting applications and considering grant proposals for funding under the Tourism Facilities Grant Program established by the Newport City Council. The Tourism Facilities Grant Program is funded by local transient room tax revenues, so state law controls the types of projects to which grants may be provided. If a project cannot meet legal requirements, it will not be awarded a grant.

### **Title**

The provisions adopted by this Resolution shall be known as the "Tourism Facilities Grant Program Rules."

### **Policy**

It is the policy of the city to make grant funds available to qualified applicants without regard to race, color, religion, sex, sexual orientation, national origin, marital status, age, disability, or familial status.

### **Definitions**

1. "Applicant" means any 501(c) organization or government entity may apply for a grant from the Tourism Grant Program.
2. "City" means the City of Newport.
3. "City Manager" means the City Manager of the City of Newport or the City Manager's designee.
4. "Council" means the City Council of the City of Newport.
5. "Grant Agreement" is the legally binding contract between the city and the grant recipient. The grant agreement consists of the conditions specified in these rules, special conditions enumerated in the agreement, if applicable, and the grant application approved by the City Council.
6. "Grant Funds" means the funds requested by an applicant and/or the funds delivered to a grantee through the Tourism Facilities Grant Program.
7. "Match" is any contribution to a project made up of funds other than grant funds. Match may include:

- a. Cash on hand or cash that is pledged to be on hand prior to commencement of the project;
  - b. Secured funding commitments from other sources; or
  - c. Pending or potential commitments of funding from other sources. In such instances, Tourism Grant Program funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within the time provided in the grant agreement.
8. "Tourism Facilities Grant Review Task Force" is a task force, consisting of seven members, appointed by the City Council in accordance with Resolution No. 3553.

#### **Definitions for "Tourism-Related Facilities"**

- 1. "Conference center" means a facility that:
  - a. Is owned or partially owned by a unit of local government, a governmental agency, or a nonprofit organization; and
  - b. Meets the current membership criteria of the International Association of Conference Centers.
- 2. "Convention center" means a new or improved facility that:
  - a. Is capable of attracting and accommodating conventions and trade shows from international, national and regional markets requiring exhibition space, ballroom space, meeting rooms and any other associated space, including but not limited to banquet facilities, loading areas, and lobby and registration areas;
  - b. Has a total meeting room and ballroom space between one-third and one-half of the total size of the center's exhibition space;
  - c. Generates a majority of its business income from tourists;
  - d. Has a room-block relationship with the local lodging industry; and
  - e. Is owned by a unit of local government, a governmental agency or a nonprofit organization.
- 3. "Tourism" means economic activity resulting from tourists.
- 4. "Tourism-related facility":
  - a. Means a conference center, convention center or visitor information center;

- b. Means other improved real property that has a useful life of ten or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- 5. "Tourist" means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person's community of residence, and that trip:
  - a. Requires the person to travel more than 50 miles from the community of residence; or
  - b. Includes an overnight stay.
- 6. "Visitor information center" means a building, or a portion of a building, the main purpose of which is to distribute or disseminate information to tourists.

### **Application Requirements**

- 1. Applications that do not comply with the requirements in this section will not be considered.
- 2. Applications must be submitted on a form provided by the city.
- 3. Applications for the 2014 grant cycle are due in the City Manager's office by 5:00 P.M. on Friday, May 30, 2014. Applicants must submit ten hard copies of the application and one electronic copy on a flash drive or memory stick. Applications submitted by e-mail or fax will not be considered.
- 4. All applicants shall supply the following information:
  - a. Name of applicant;
  - b. Name, physical and e-mail address, and fax and telephone numbers of the applicant's contact person(s) and, if applicable, the applicant's fiscal officer(s);
  - c. The name and a description of the proposed project;
  - d. Estimated line item budget for the project;
  - e. Identification of specific project elements for which grant funds will be used;
  - f. A list of any non-grant funds, services or materials available or secured for the project and any conditions which may affect the completion of the project;

- g. If the project is part of a multi-year project, and a new funding request continues a previously city-funded activity, a description of the previous project accomplishments and results as well as an accounting of past expenditures and revenues for the project;
    - i. A project schedule including times of project beginning and completion; and
    - ii. Any information requested by the Tourism Facilities Grant Review Task Force or the City Council in order to evaluate the project.
- 5. All applicants shall demonstrate a dollar for dollar match, based on the total grant funds request, at the time of application.
- 6. All applicants shall demonstrate that the grant funds requested will be used to fund tourism-related facilities.
- 7. Applications must include the following attachments:
  - a. If applicable, documentation from the Internal Revenue Service confirming that the applicant is a 501(c) tax exempt organization;
  - b. Three years of year-end revenue/expense summaries and current balance sheet, or feasibility study;
  - c. An executive summary of the business plan for the project, including a budget;
  - d. A time frame for fundraising, if applicable;
  - e. A time frame for project completion.
- 8. Clarification of information submitted may be sought from the applicant during the evaluation process.

### **Application Processing**

- 1. Submission of an application does not ensure funding. Decisions to award grant funds will be made based on the criteria and rating schedule attached to these rules as Exhibit A. The City Council may elect to terminate the Tourism Facilities Grant Program and not award any grant funds.
- 2. The Tourism Facilities Task Force will review all applications that comply with the application requirements included in these rules (qualifying applications). The Tourism Facilities Task Force will then rate the qualifying applications based on the criteria and rating schedule attached to these rules as Exhibit A.

3. All applicants who submit qualifying applications will be invited to make an oral presentation to the Tourism Facilities Task Force.
4. Based on the application materials submitted and the applicant's oral presentation, the Tourism Facilities Task Force will forward a recommendation to the City Council as to which applicants should be awarded grant funds, as well as the recommended amount of grant funds to be awarded to each applicant.
5. Applicants recommended to the City Council by the Tourism Facilities Task Force will be expected to make an oral presentation before the City Council.
6. The City Council is not bound by the Tourism Facilities Task Force recommendations.
7. The City Council will make its decision as to which applicants should be awarded grant funds, as well as the amount of grant funds to be awarded to each applicant based on the criteria and rating schedule attached as Exhibit A.
8. The city may require additional information from the applicant to aid in evaluating and considering a proposed project.
9. Applicants will be notified in writing of award of a grant or denial of an application. Written notifications will be sent by first class mail to the address provided in the application. Notifications will be deemed received by the applicant three calendar days after deposit by the city in the United States Mail.

#### **Grant Agreement Conditions**

1. If a grant application is approved, the City Manager, on behalf of the city, will enter into a grant agreement with the grantee.
2. If the grant agreement has not been fully executed by all the parties within one month of City Council approval, funding shall be terminated. The money allocated to the grant shall be available for reallocation by the city.
3. The terms of the grant agreement may be tailored to fit the project for which the grant funds are awarded. Grantees shall comply with all grant agreement conditions.
4. Obligations of the city under the grant agreement are contingent upon the availability of monies for use in the Tourism Facilities Grant Program.
5. The grantee shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under the agreement.
6. Grant funds may not be used to refinance existing debt.

7. The grantee is responsible for all the expenses of the operation and maintenance of the project, including but not limited to adequate insurance, and any taxes or special assessments applicable to the project.
8. The grantee shall comply with all prevailing wage laws if they are applicable to the project.
9. The applicant's total financial resources must be adequate to ensure completion of the project.
10. Upon notice to the grantee in writing, the City Manager may terminate funding for projects not in compliance with the terms of the grant agreement. The money allocated to the project but not used will be available for reallocation by the City Council.
11. The grantee will obtain all required permits and licenses from local, state, or federal government entities.
12. The city may place additional conditions in the grant agreement as necessary to carry out the purpose of the Tourism Facilities Grant Program, including any provisions that the City Manager considers necessary to ensure the expenditure of funds for the purposes set forth in the application.

#### **Distribution of Funds**

1. The city will not reimburse the grantee for any expenditures incurred prior to the signing of the grant agreement by all parties.
2. Prior to disbursement of grant funds, the grantee must provide proof that the dollar for dollar required match, based on the total grant funds awarded, has been secured.
3. Funds shall not be disbursed until the City Manager receives satisfactory evidence that necessary permits and licenses have been granted and documents required by the city have been submitted.
4. The city shall retain ten percent of the grant funds until the final project report, as required by the grant agreement, has been approved by the city. Final reports are due within 60 days of project completion. Any unexpended grant funds must be returned to the city with the final report. Upon receipt of the final report, the city shall have 90 days to approve the completed report or notify the grantee of any concerns that must be addressed or missing information that must be submitted before the report is considered complete and reviewed for approval. Once the final report has been approved the final payment shall be promptly provided to the grantee.

## Appeals

1. If the Tourism Facilities Task Force or the City Council denies a grant application, the applicant may appeal the denial to the City Council by submitting a written notice of appeal to the City Manager's office within five business days of the receipt of the denial.
2. Within 20 calendar days of the city's receipt of the written appeal, the City Council will review the denial on the record of the application. No new information will be accepted for review.
3. The applicant is not entitled to an appeal hearing.
4. The City Council's decision on the appeal is final.
5. The City Council's decision regarding the appeal will be transmitted to the applicant at the address provided in the application, by first class mail.